

Cosumnes River College Standard Operating Procedure (SOP)

Donations: Accepting Donations of Goods/Property/Cash

Responsible Division: VPA/President

Revised: 10/2015

Purpose: Identify guidelines and procedures for accepting donations under Board P/R-8254. A donation is a gift, devise or bequest that increases the physical or fiscal assets of LRCCD/CRC for which the donor receives no benefit. For example, a 'donation' to support a scholarship or athletic program which benefits the donor's dependent does not likely qualify as a donation for tax purposes. Donations are generally made through the Foundation but may also be donated directly to the college as determined by the donor's intent or VPA. In general, donations to either the Foundation or College are tax deductible but donors should be advised to consult their tax advisor about whether a donation is deductible on their tax return.

Process

1. Before accepting a donation, the manager of the receiving department must fully evaluate the item(s): (a) usefulness to the college/department, (b) useful life, (c) supportability and potential costs (staff time and \$); and (d) other potential risks (safety, hazardous waste disposal, etc.) or factors.
2. The manager must consult with, and obtain approval when appropriate from, all departments that may be impacted such as IT (computer and media equipment) and Administrative Services (general safety, hazardous waste, transportation or other issues). For example, donations of computer equipment must be reviewed for compatibility and usability and accepted by the IT manager. If accepted, the equipment will be deployed according to the college's normal process.
3. If after careful evaluation, the manager determines there is significant value above the potential risks, email the VPA with the relevant information (description and summary of benefits/risks) and recommended action.
4. If VPA authorizes accepting the donation, the initiating manager should ask the donor for a letter of donation, including the donor's name and address, description/list of donated item(s), any restrictions on the donation, and the donor's estimated value (preferably by item).
5. The VPA will determine if the donation should be taken in directly by LRCCD/CRC or by the CRC Foundation based on the donor's intent and type of donation.
6. For donations to LRCCD/CRC,
 - a. The VPAs Administrative Assistant (VAA) records the donation, including the date, description, donor, and estimated value on an annual donation spreadsheet.
 - b. The VAA sends donation information to the President's AA to prepare a thank you letter, which serves as the donor's receipt for tax purposes. The letter must include LRCCD/CRC's Tax ID number (TIN), 94-1576340 and tax exempt status as a public entity organized for educational purposes under the State of California and state that CRC falls under LRCCD (so IRS is not confused by different names associated with the TIN). Refer to General Counsel's memo regarding District/Foundation tax exempt status.
 - c. At the end of June, the VAA provides the District VC, Finance & Admin's office with the list of donations for the fiscal year to prepare the LRCCD Board agenda item for formal acceptance of all donations.
7. For donations to the CRC Foundation,
 - a. The VPA will send a copy of the donation letter to the Director of College Advancement (DCA). The DCA records the donation, including the date, description, donor, and estimated value on an annual donation spreadsheet. DCA sends a copy of the letter to the college business office to ensure the donation is properly recorded and accounted for.
 - b. The DCA sends a thank you letter to the donor along with the tax receipt at the end of the calendar year, including the LRF/CRCF TIN 94-2506591, tax exempt status as qualified 501(c)(3) and state that the CRC Foundation falls under the LR Foundation to avoid confusion due to different names associated with the TIN.
 - c. At the end of each fiscal year, the DCA will prepare a LRCCD Board agenda item to donate all assets from the CRC Foundation to the LRCCD/CRC. This should be done in June of each year.